

March 19, 2004

**REVISED BILLING GUIDANCE FOR SERVICES PROVIDED BY  
SUPERVISING PRACTITIONERS AND RESIDENTS**

**1. PURPOSE:** This Veterans Health Administration (VHA) Directive provides guidance for billing insurance carriers for services provided by a health care team, which includes supervising practitioners and residents and/or fellows (residents). ***NOTE:** The term “fellow” is used by some sponsoring institutions and in some specialties to designate participants in subspecialty graduate medical education (GME) programs. Because the Centers for Medicare and Medicaid Services (CMS), formerly known as the Health Care Financing Administration (HCFA), treats “fellows” identically to “residents,” the term “resident” is used throughout this document. Residents who have the title Chief Resident are considered residents in most circumstances.*

**2. BACKGROUND**

a. Since the Department of Veterans Affairs (VA) has been submitting claims to third-party insurers for professional fees, there has been a discrepancy between the billing requirements for physician services and the requirements for documenting resident supervision for educational purposes. In order to clarify these differences, an opinion was requested from the Department of Health and Human Services CMS as to whether VA’s residency programs meet Medicare teaching physician supervision requirements and additionally whether VA can submit claims for services provided by residents.

b. CMS ruled that the teaching physician presence and documentation requirements in CMS guidance are to avoid fraud and overpayments in institutions where GME support has been paid by CMS. Since VA medical facilities do not receive either direct medical education (DME) or indirect medical education (IME) funds from CMS, it has been determined that VA can submit claims for care that is provided by residents in a properly supervised environment. CMS explicitly stated that the teaching physician billing rules do not apply to physicians in VA. Additionally, CMS has ruled that residents do not need to be enrolled in Medicare in order for a claims submission to occur.

c. VHA Handbook 1400.1, Resident Supervision, the primary guidance for the documentation of care in teaching settings, sets out standards for the documentation of supervised resident delivered care that is educationally appropriate. These standards ensure high-quality and safe patient care. This Handbook is available on the VA intranet at <http://vaww.va.gov/oaa/>.

d. There are no changes in the provision of health care for veteran patients. As is required by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and Accreditation Council for Graduate Medical Education (ACGME) requirements, a licensed and independent practitioner must still supervise and be responsible for all resident delivered care. Documentation requirements, driven strictly by the CMS billing standards, no longer apply. All documentation practices at VA facilities will be reviewed against the VHA Resident Supervision policy (see VHA Handbook 1400.1).

**THIS VHA DIRECTIVE EXPIRES MARCH 31, 2009**

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**3. POLICY:** It is VHA policy that claims must be submitted to all insurance carriers for care that is provided by residents in a properly supervised environment.

**4. ACTIONS:** The facility Director is responsible for ensuring that previous informal guidance issued by the VHA Chief Business Office regarding billing procedures is further implemented by ensuring that:

a. Claims submitted to insurance carriers for care provided by residents in a properly supervised environment must identify the supervising practitioner's name and credentials. Also, the modifier "GC" needs to be attached to each procedure code in order to distinguish care provided by a resident under the direction of a teaching physician. **NOTE:** *The modifier "GC" is defined as "This service has been performed in part by a resident under the direction of a teaching physician." (Reference: "HCPCS Level II", 2004, 15<sup>th</sup> Edition, Ingenix®)*

b. VHA staff members accurately reflect health care services delivered by:

(1) Applying the appropriate codes as supported by medical record documentation, and

(2) Identifying the person who provided care.

c. VHA staff members institute procedures to ensure compliance with insurance industry standards, as applicable.

d. All residents, supervising practitioners, other health care providers, and administrative personnel are aware of the billing policy.

## 5. REFERENCES

a. VHA Handbook 1400.1.

b. VHA Chief Business Office website <http://vaww1.va.gov/cbo/>.

**6. FOLLOW-UP RESPONSIBILITY:** The VHA Chief Business Office (16) is responsible for the contents of this Directive. Questions should be addressed to 202-254-0362.

**7. RESCISSION:** VHA Directive 2003-039 is rescinded. This VHA Directive expires March 31, 2009.

S/ Nevin M. Weaver for  
Robert H. Roswell, M.D.  
Under Secretary for Health

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